



GREATER MSP[®]

Maplewood community conversation
October 12, 2016

Minneapolis Saint Paul Regional Economic Development Partnership



PROSPER:

MOMENTUM IS BUILDING

Peter Frosch

VICE PRESIDENT, STRATEGIC PARTNERSHIPS
GREATER MSP

» TODAY

QUESTION 1

How is the Minneapolis-Saint Paul regional economy performing today?

QUESTION 2

How will our region's economic performance look a few years down the road?

» IN THE NEWS



EDITORIAL

Pay heed to Minnesota's worker productivity problem

Conservative group's report puts spotlight on state's workforce needs.

By Editorial Board Star Tribune AUGUST 21, 2016 — 7:02AM

It will be a shame if the new report on the Minnesota economy by the right-leaning Center of the American Experiment is dismissed in DFL quarters as partisan propaganda. To be sure, the center's orientation is pro-Republican. But that does not mean that the report it commissioned and the trends it highlights do not warrant bipartisan attention.

The report, "Minnesota's Economy: Mediocre performance threatens the state's future" (<http://tinyurl.com/joswboy>) describes several worrisome trends. Among them: Overgrowth in Minnesota as measured by gross domestic product (GDP) has been middling among the 50 states since 2000. In 2015, the state ranked 28th in job creation, 30th in per capita income growth and — most significantly, we'd say — below average in per-worker productivity in the private sector.

Those numbers are cause for concern, even though they don't tell a complete story. The economic strength this state built in the last half of the 20th century has persisted in the 21st. Minnesota ranked 16th among the states in total GDP in 2015, right where it has been since the turn of this century, and annual GDP growth has quickened in Minnesota since 2013. The state's median household income ranked ninth in the nation and highest in the Upper Midwest in 2014.

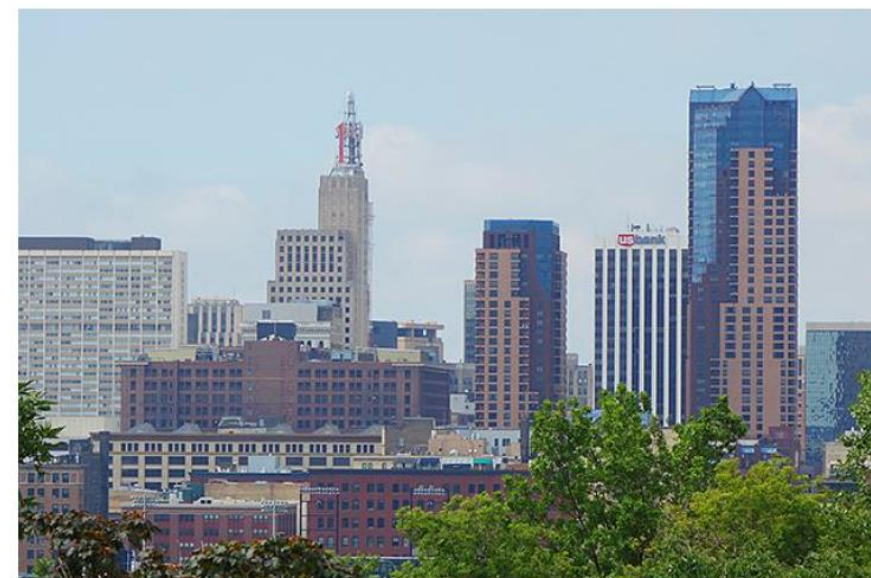
8/23/2016

That Center of the American Experiment report on the Minnesota economy? It's politics, not economics | MinnPost

MINNPOST

That Center of the American Experiment report on the Minnesota economy? It's politics, not economics

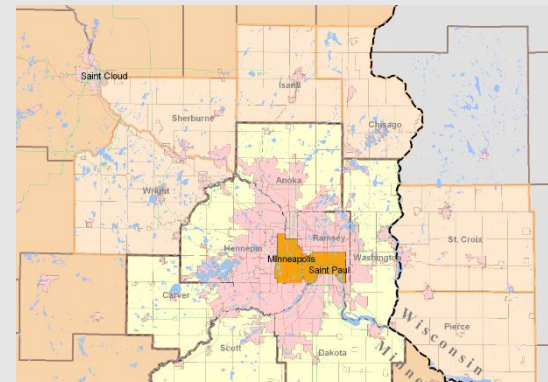
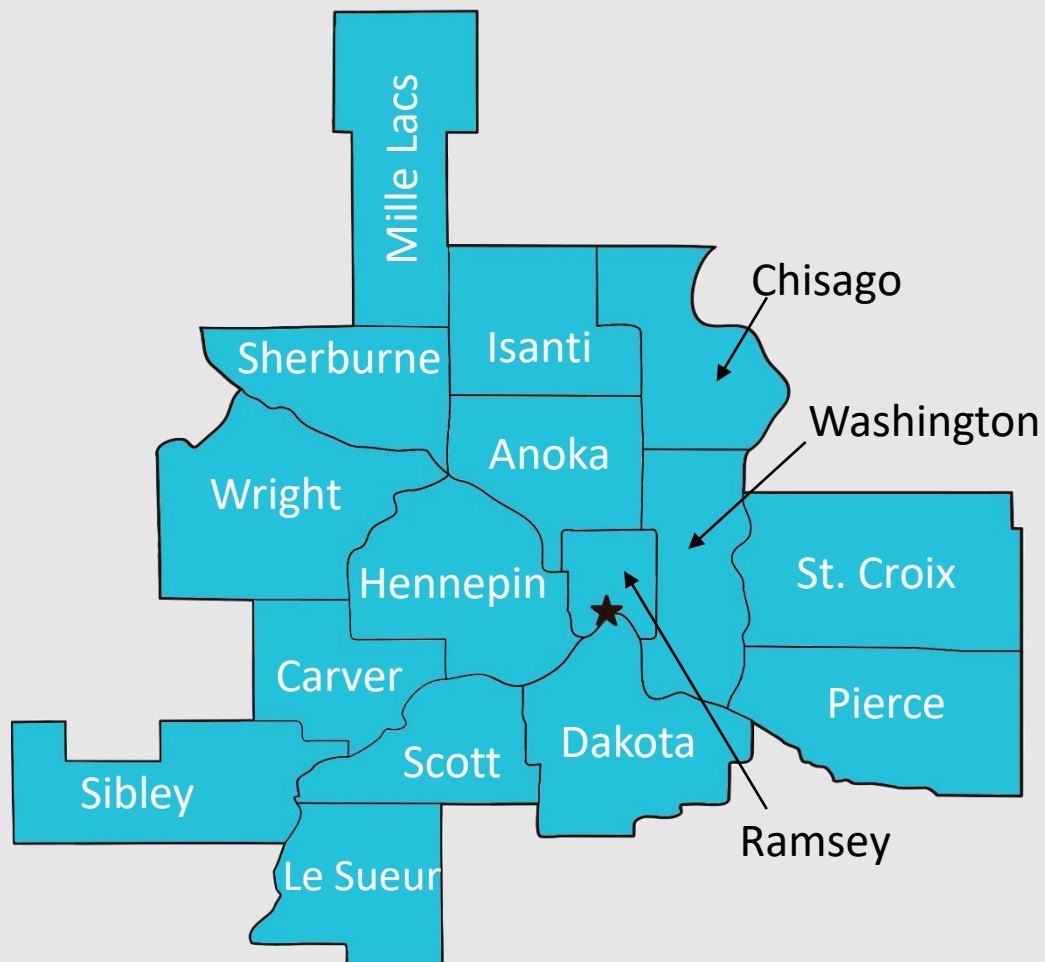
By Louis D. Johnston | 10:57 am



MinnPost photo by Peter Callaghan

Minnesota will continue to be rich — it just won't have as big of a lead over other states as it does now.

» THE GREATER MSP REGION



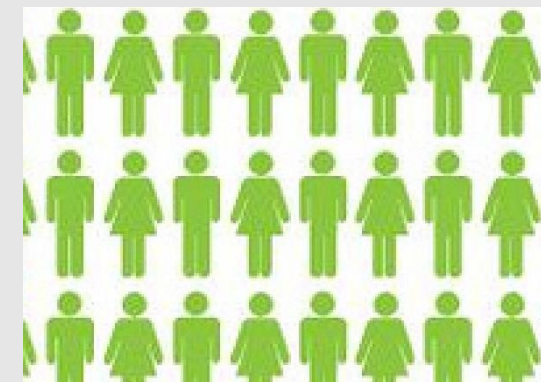
16-COUNTY MSA



\$228 BILLION
IN GMP



48th LARGEST
GLOBAL ECONOMY



MORE THAN
3.4 MILLION PEOPLE



GREATER MSP VISION AND MISSION

VISION

The Greater MSP Region is *recognized as a globally leading economy* where business and people prosper.

MISSION

Accelerate job growth and capital investment in the Greater MSP region.

**JOB RETENTION,
EXPANSION, &
ATTRACTION**

**REGIONAL ECONOMIC
DEVELOPMENT
STRATEGY**

**MARKETING,
BRANDING, &
PROMOTION**



GREATER MSP BOARD OF DIRECTORS

CHAIR | Richard Davis
US Bancorp

VICE CHAIR | Ken Powell
General Mills

VICE CHAIR | Scott Anderson
Patterson Dental

SECRETARY | Kate Wolford
McKnight Foundation

**TREASURER | Ginny Hubbard
Morris**
Hubbard Broadcasting

CEO | Michael Langley
GREATER MSP

Doug Baker | Ecolab

Ben Fowke | Xcel Energy

Chris Policinski | Land O' Lakes

David Mortenson | Mortenson
Construction

Carl Casale | CHS

Mayor Elizabeth Kautz | City of
Burnsville

Rick King | Thomson Reuters

Marianne Short | United
Health Group

Jeff Freyer | Comcast

Todd Hall | Cargill

Mary Brainerd | HealthPartners

Russ Nelson | NTH, Inc.

John Stauch | Pentair

Laura Oberst | Wells Fargo

Commissioner Fran Miron |
Washington County

Gary Hendrickson | Valspar

Mayor Chris Coleman | City of
Saint Paul

Commissioner Jan Callison |
Hennepin County

Mayor Betsy Hodges | City of
Minneapolis

Tim Baer | Target

**Commissioner Victoria
Reinhardt** | Ramsey County

Commissioner Kathleen
Gaylord | Dakota County

David Saggau | Great River
Energy

Commissioner Jon Ulrich |
Scott County

**Commissioner Rhonda
Sivarajah** | Anoka County

Andy Bessette | Traveler's Co's.

Gary Cunningham | Meda

Albert J. Colianni | Pohlad Co's.

Eric Kaler | University of MN

Tim Welsh | McKinsey & Co.

Adam Duininck | Met Council

Jay Lund | Anderson Corp.

Tim McGough | McGough Const.

Ravi Norman | Thor Construction

Chris O'Connell | Medtronic

Steven Rosenstone | MnSCU

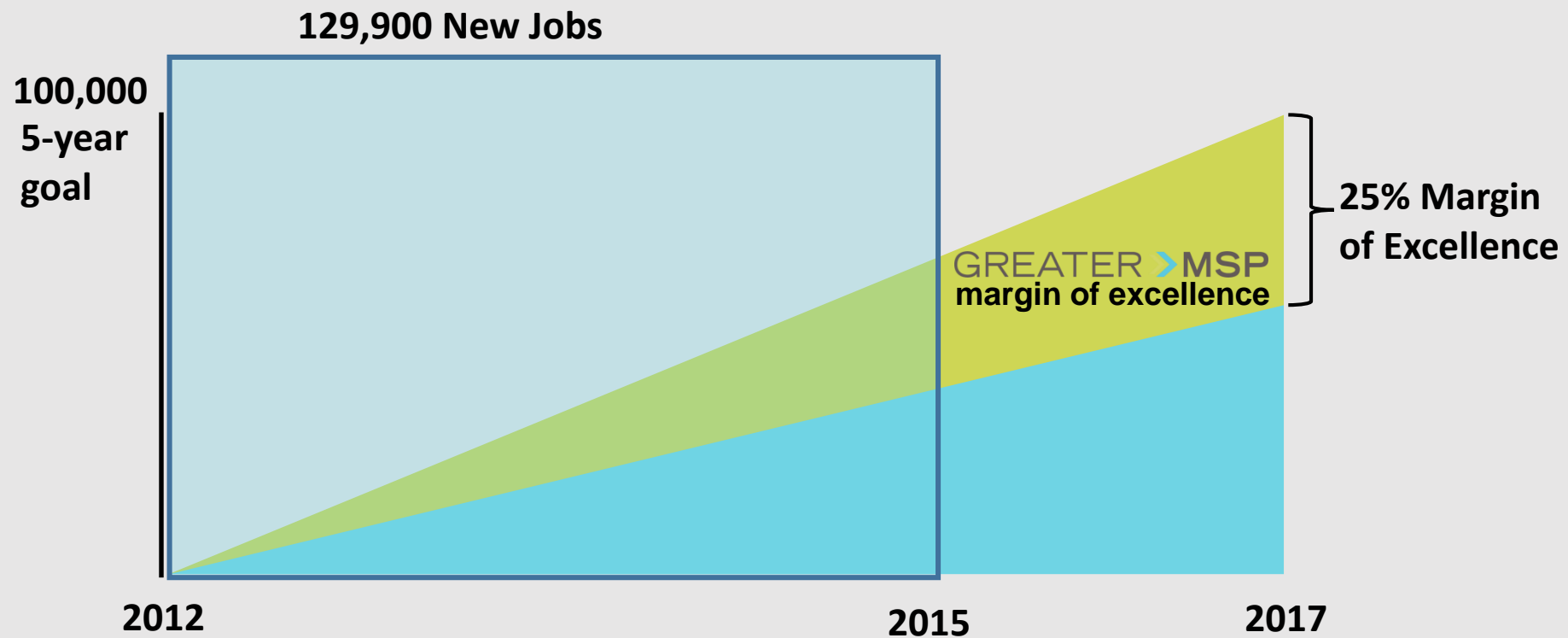
John Taft | RBC Wealth Mgmt.

Kendrick Adkins | Mayo

Todd Senger | BMO Harris

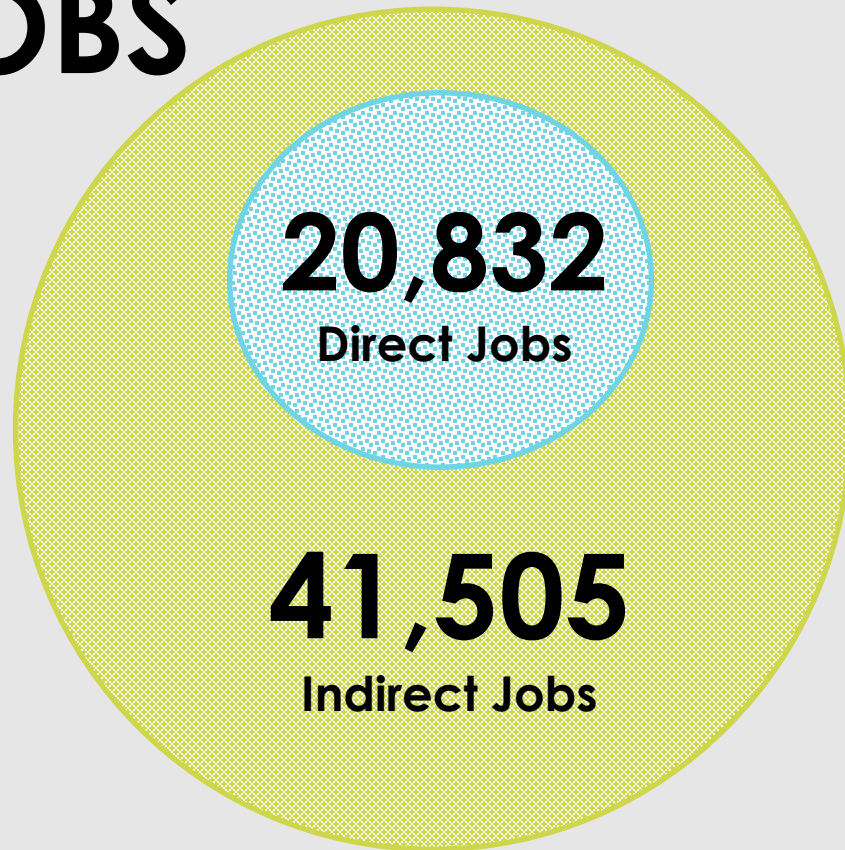
Carol Surface | Medtronic

» JOB GROWTH BEYOND EXPECTATION

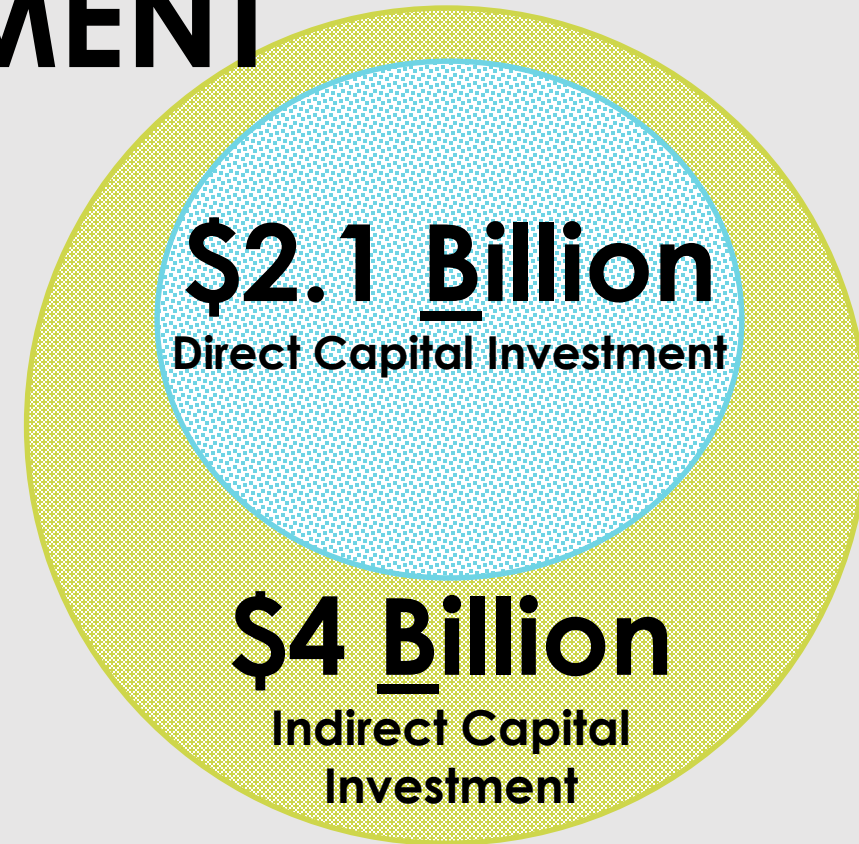


» GREATER MSP PARTNERSHIP 2012-2015 IMPACT

JOBS

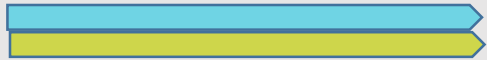


INVESTMENT



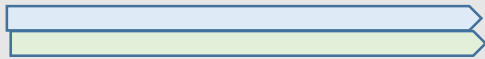
» TODAY

QUESTION 1



How is the Minneapolis-Saint Paul regional economy performing today?

QUESTION 2



How will our region's economic performance look a few years down the road?

THE WORLD'S MOST INNOVATIVE COMPANIES

ECOLAB[®]



TARGET



Thrivent Financial

Cargill[™]



General Mills

Medtronic

TARGET

Ameriprise

Financial



us bancorp



C.H. ROBINSON
WORLDWIDE, INC.

Xcel Energy



CHS

Andersen[®] **AW**[™]



ST. JUDE MEDICAL



CARLSON[™]



PRIME
THERAPEUTICS[®]

3M



Where simple goodness begin

Mosaic[®]



UnitedHealth Group[®]

SUPERVALU[®]

» REGIONAL SECTORS OF STRENGTH



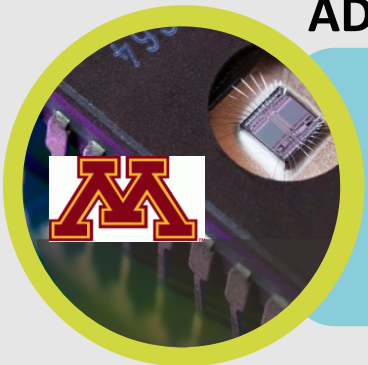
FINANCIAL SERVICES

- FINANCIAL ADVISORY
- BANKING
- INSURANCE



HEADQUARTERS & BUSINESS SERVICES

- CORPORATE HEADQUARTERS
- CREATIVE SERVICES
- PROFESSIONAL SERVICES
- DATA CENTERS



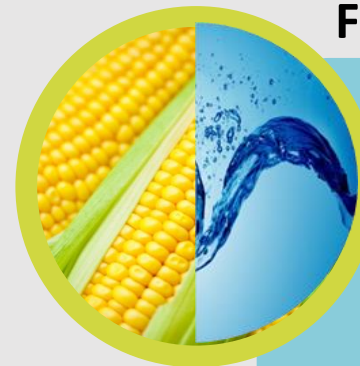
ADVANCED MANUFACTURING & TECHNOLOGY

- R&D CENTERS
- SOFTWARE/ IT
- ADVANCED MANUFACTURING
- ENERGY/RENEWABLES



HEALTH & LIFE SCIENCES

- BIO TECH
- HEALTHCARE PROVIDERS
- HEALTHCARE PAYERS AND IT
- MEDICAL DEVICES

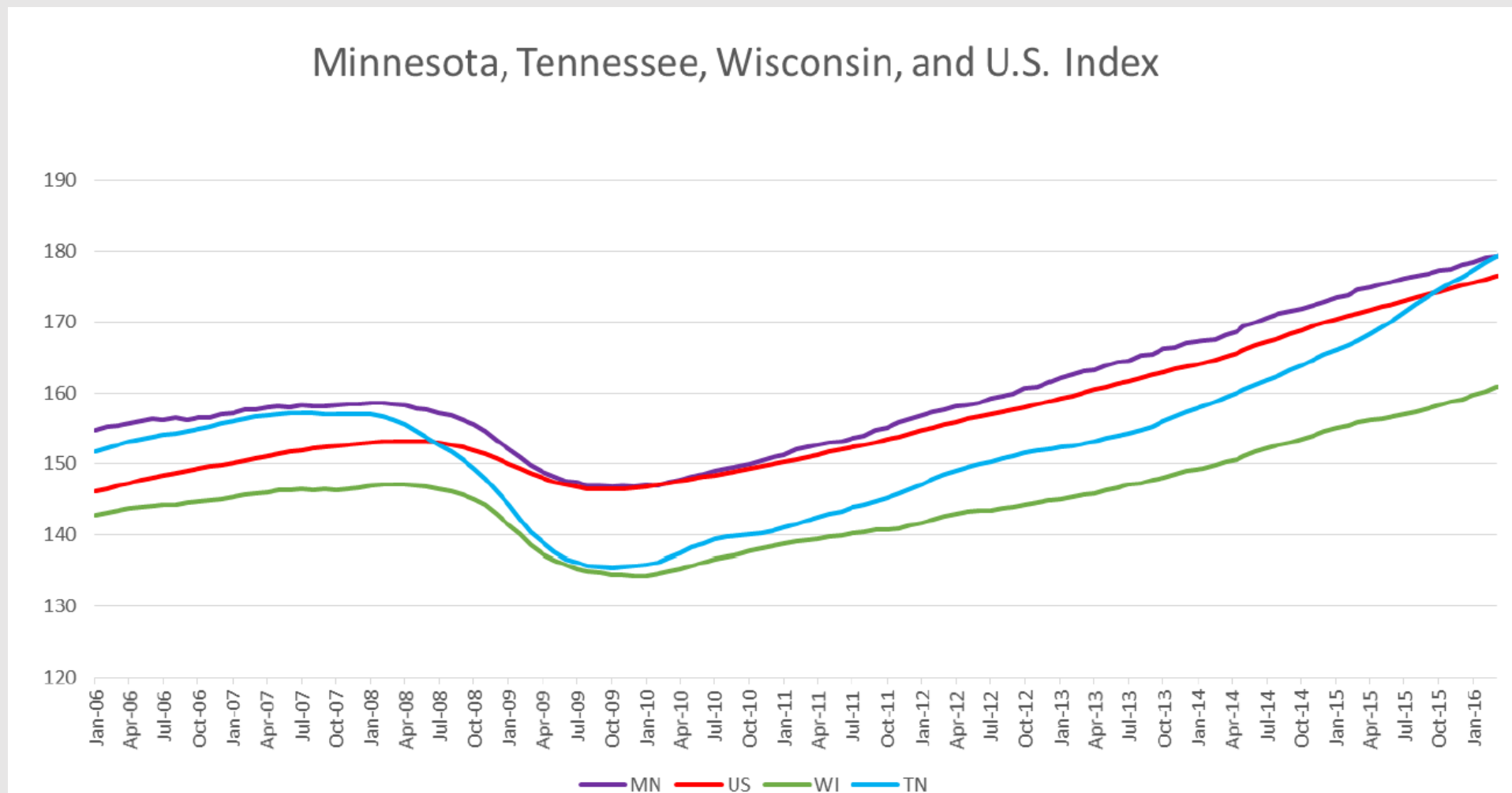


FOOD & WATER SOLUTIONS

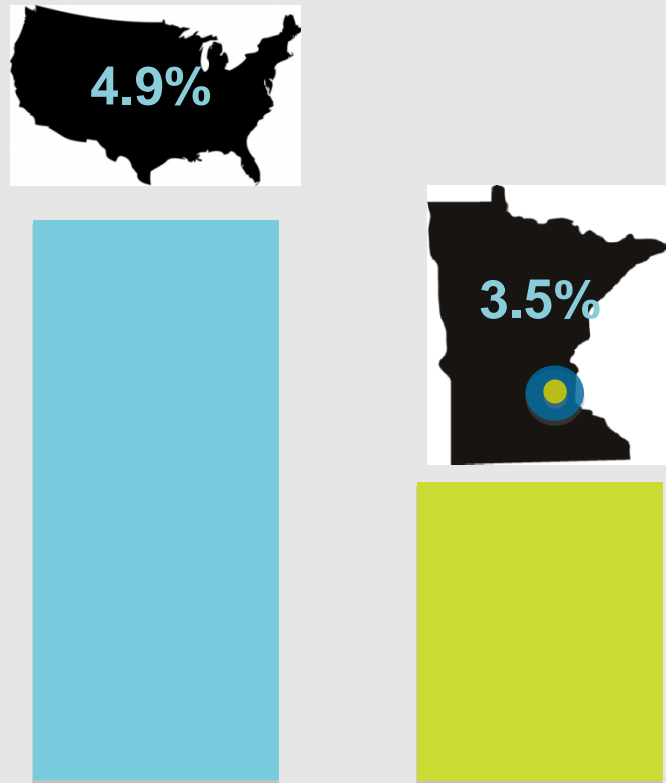
- FOOD PROCESSORS
- FOOD PRODUCTION
- AGRIBUSINESS
- NUTRITION
- WATER FILTRATION
- WATER PURIFICATION

PROSPER: MOMENTUM IS BUILDING

» BENCHMARKING MINNESOTA



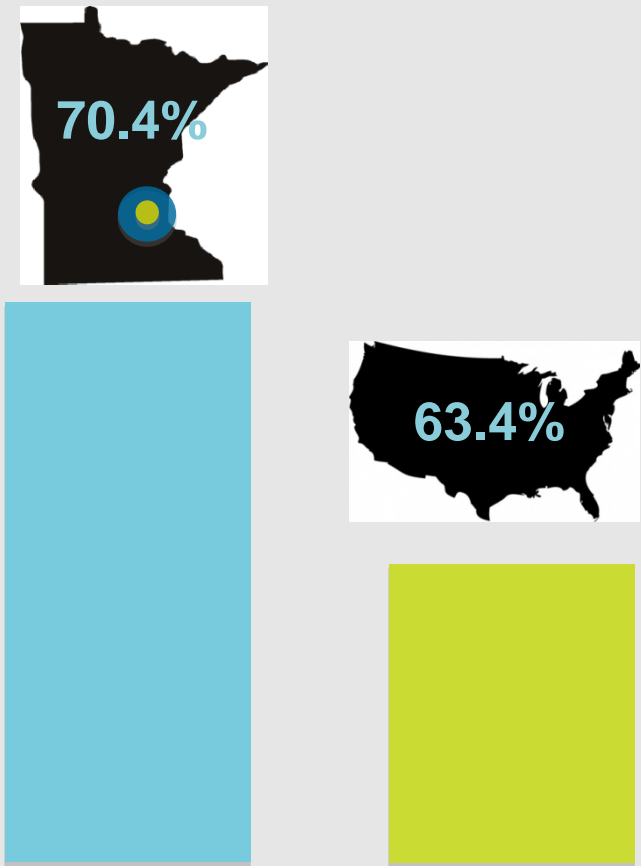
» LOWEST UNEMPLOYMENT RATE



JULY 2016



HIGHEST LABOR FORCE PARTICIPATION RATE

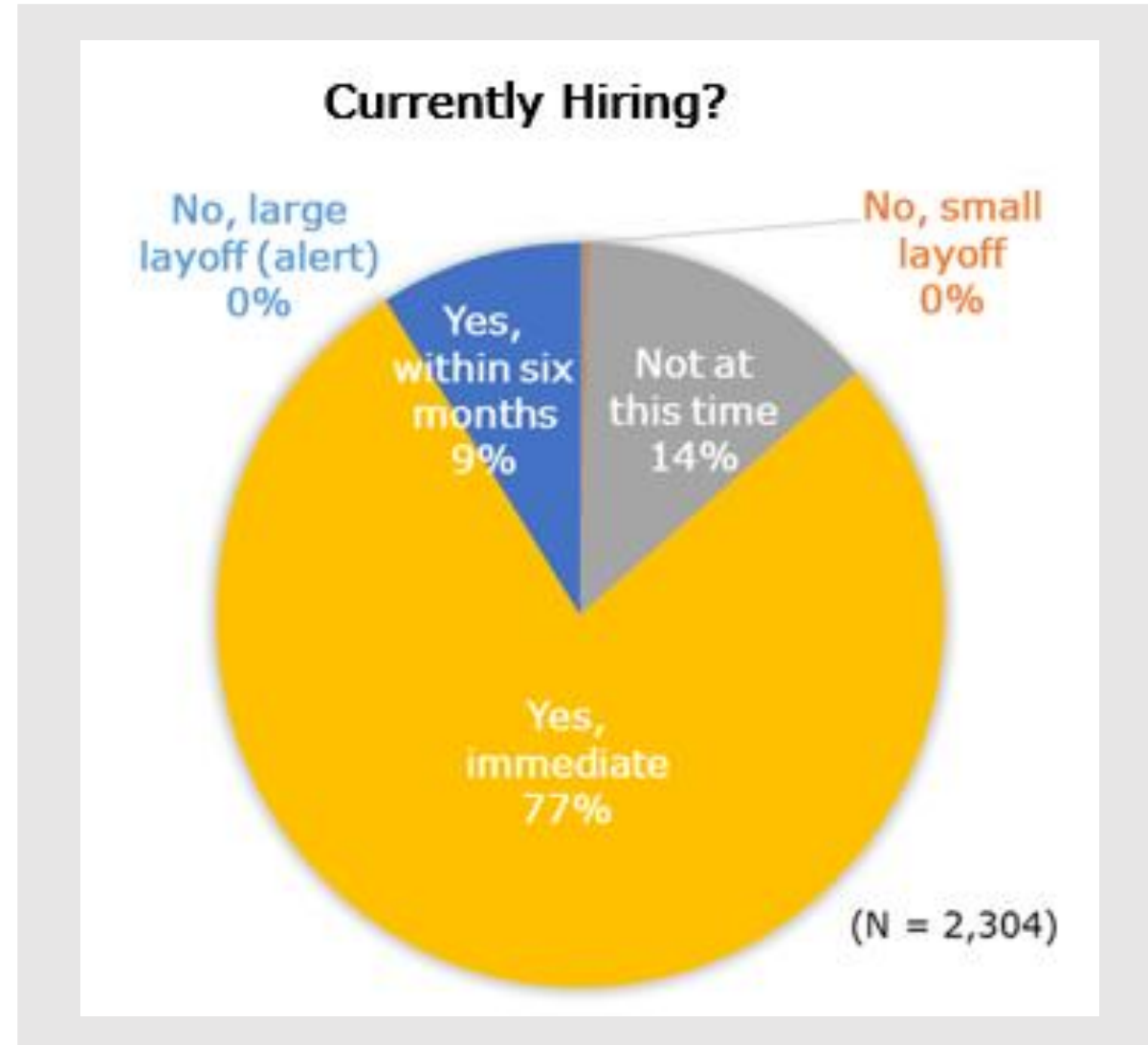


JULY 2016

DATA SOURCE

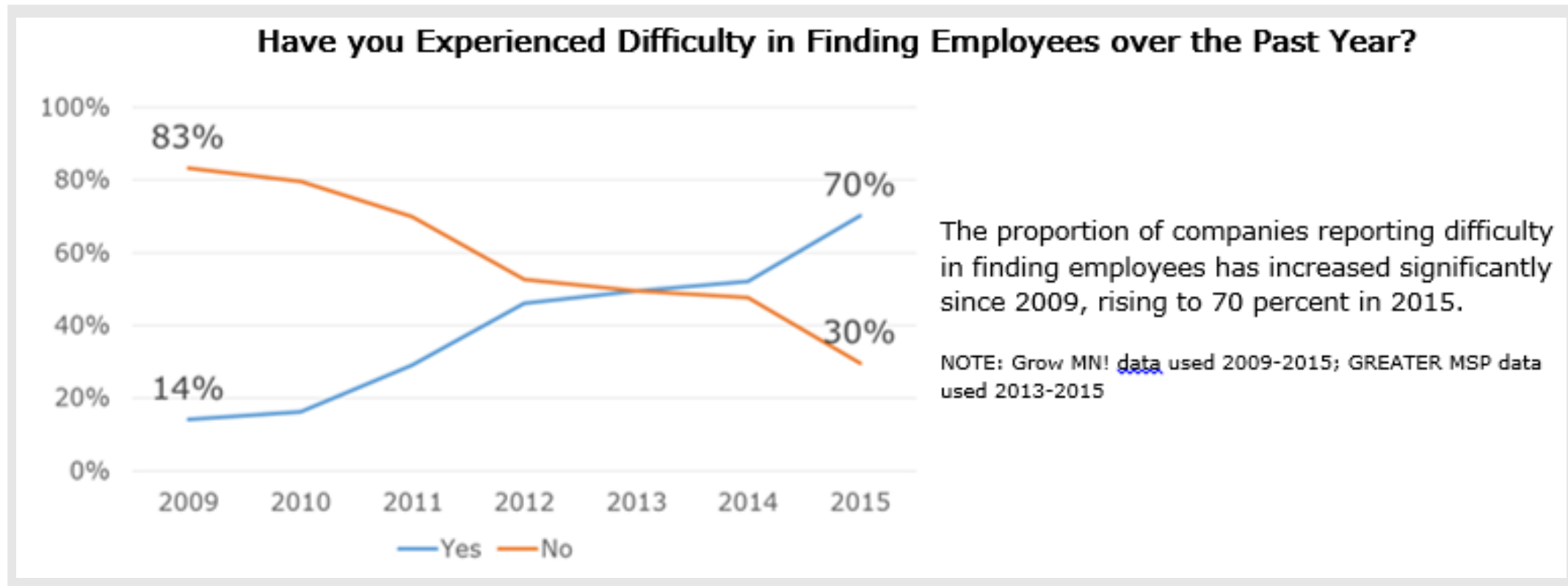
MN DEED conducted **2,304 business visits in 2015** in the 7 county metro.

These visits focused primarily on workforce issues and workforce trends.

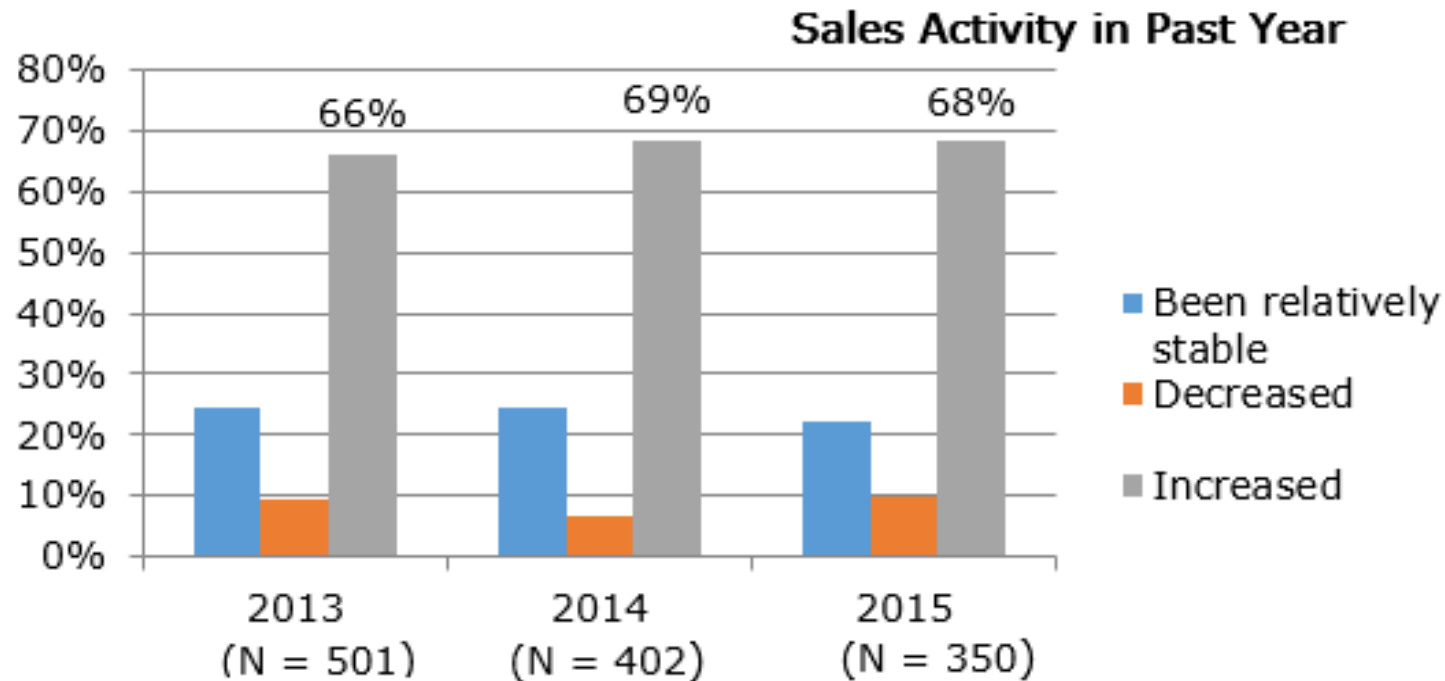


THE FOLLOWING SLIDES INCLUDE RESULTS FROM THE 2015 MSP REGIONAL BUSINESS RETENTION & EXPANSION PROGRAM

- **400 visits** conducted through the GREATER MSP regional effort and MN Chamber of Commerce's Grow MN program in 2015
- Visits designed to help companies **stay and grow in region**
- **Direct assistance** offered to business in response to their needs
- Feedback from each business compiled and tracked for **regional improvement**

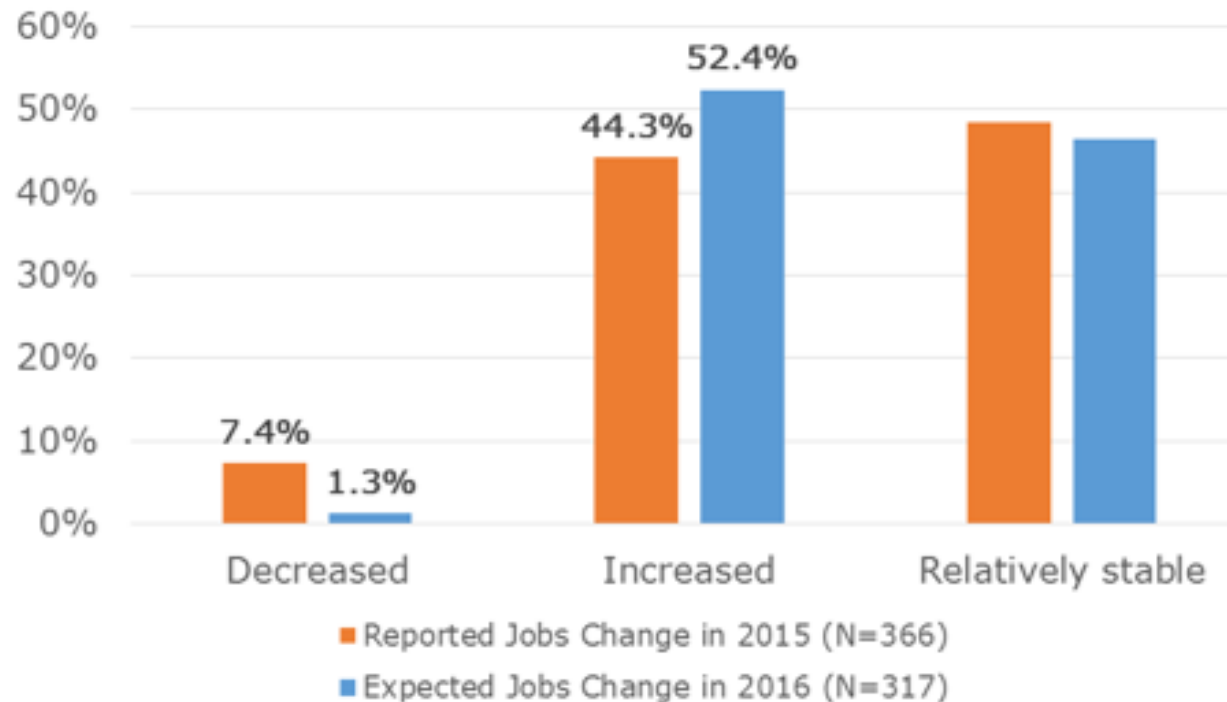


INNOVATION & BUSINESS VITALITY



68 percent of businesses visited reported increased sales last year, with another 22 percent reporting stable sales. Only 10 percent reported decreased sales last year.

Reported 2015 and Expected 2016 Jobs Change

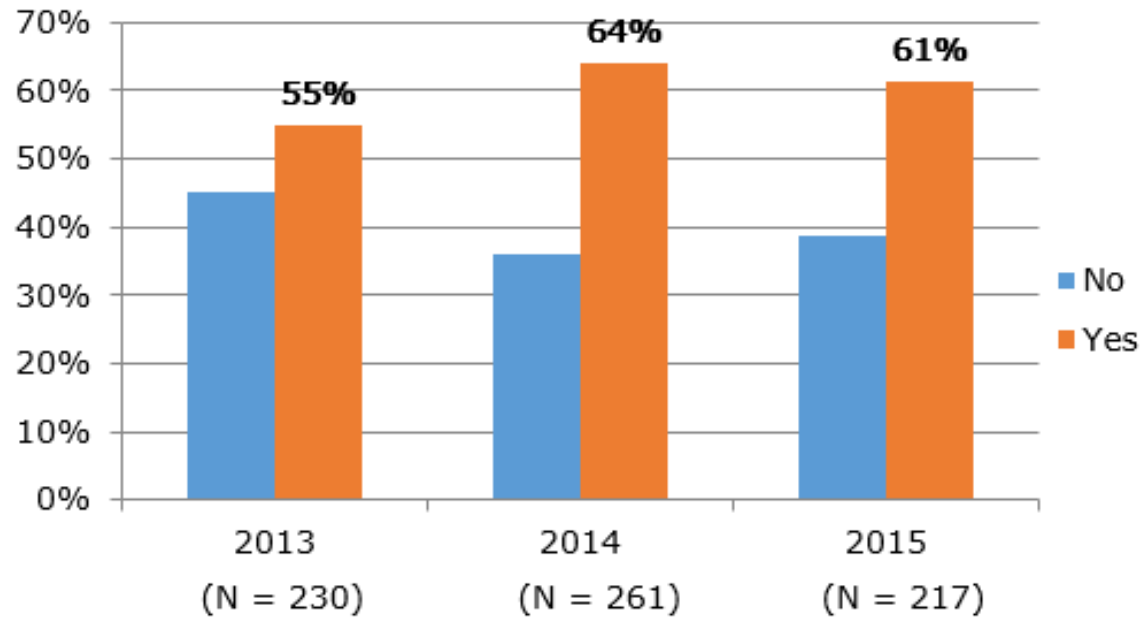


Generally, companies visited in 2015 are optimistic about hiring in 2016 – over half of companies expect to increase their workforce in 2016, while roughly 1 percent project job loss.

MARKET INTELLIGENCE

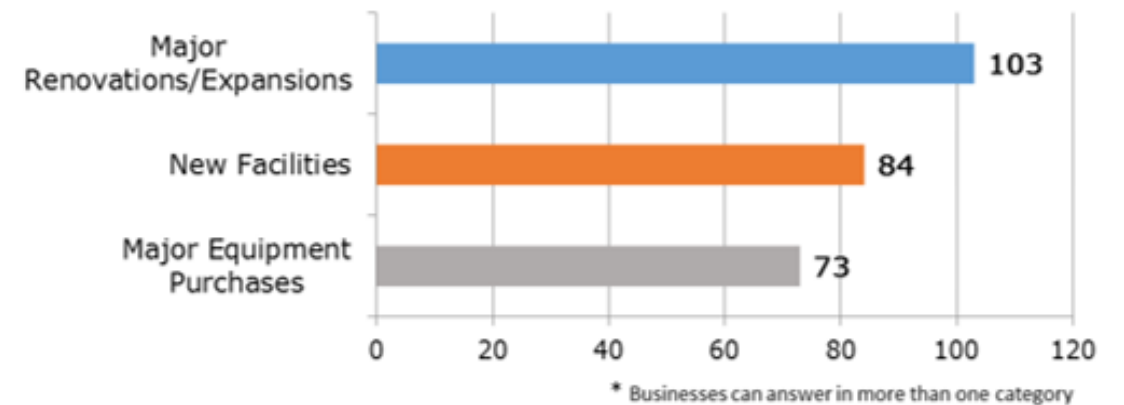
Business retention & expansion

Are You Planning a New Investment?



61 percent of businesses visited in the metro are planning a major new investment.

What Types of New Investment?



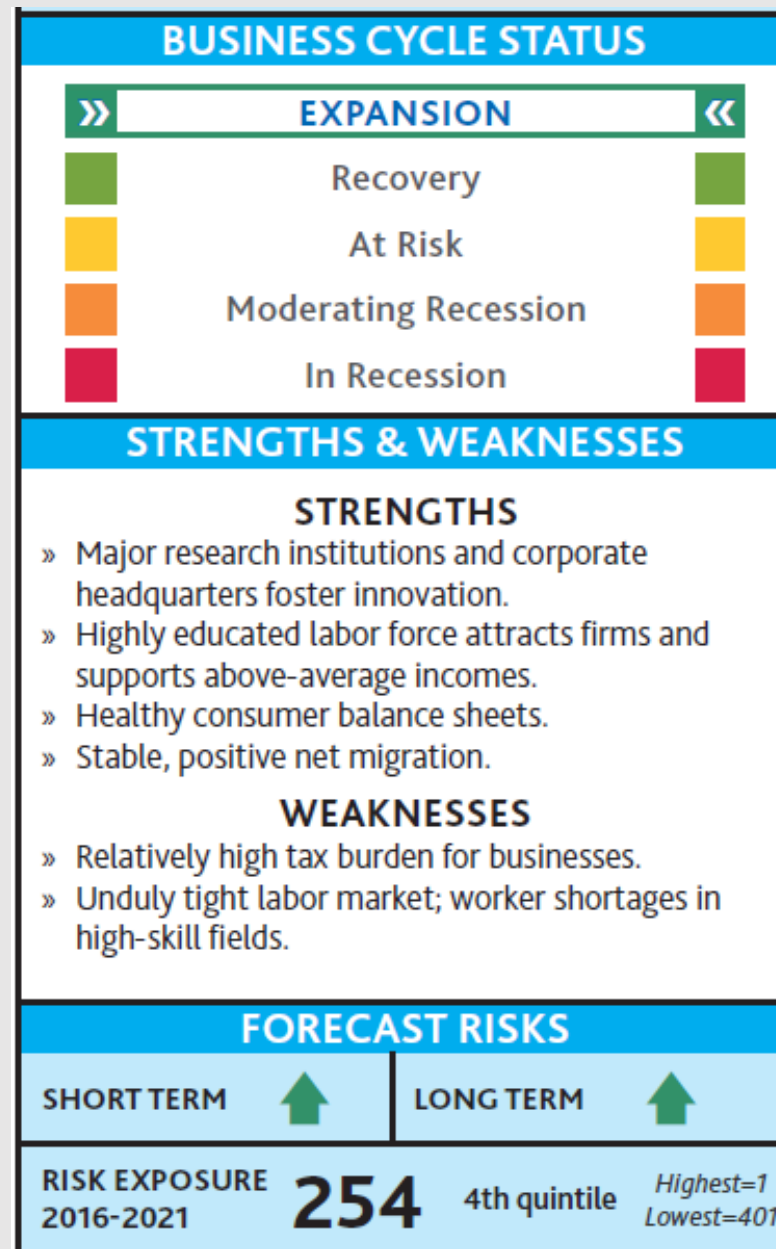
MOODY'S ANALYTICS

REGULAR ECONOMIC ASSESSMENT



» MOODY'S ANALYTICS

REGULAR ECONOMIC ASSESSMENT



» TODAY

QUESTION 1

How is the Minneapolis-Saint Paul regional economy performing today?

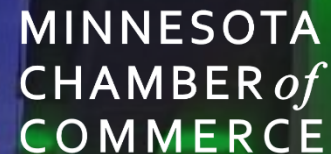
QUESTION 2

How will our region's economic performance look a few years down the road?

MSP REGIONAL INDICATORS DASHBOARD 2016



SAINT PAUL AREA CHAMBER OF COMMERCE



THE MCKNIGHT FOUNDATION

DASHBOARD PROJECT DESCRIPTION

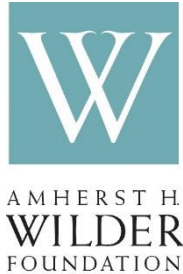
WHAT

A set of shared, objective metrics to track the Greater MSP region's overall success on critical economic, environmental and social outcomes.

WHY

- **Clearer view of our competitive position** today & look ahead
- Shared definition of “competitiveness”
- Better **coordination** of existing work & more effective **priority-setting**
- **Enhanced accountability** for results
- Global best practice

THE TEAM



THE PROCESS

14 months 2014-2015

50+ Partner Organizations

30 Stakeholder
Input Sessions

25+ Dashboards
Reviewed (US & Global)

1,000+ Potential
Metrics Considered

BUILDING THE DASHBOARD

CATEGORIES: The new dashboard is a customized set of measurements most important to leaders in this region.

Economy

Business Vitality

Talent

Education

Infrastructure

Environment

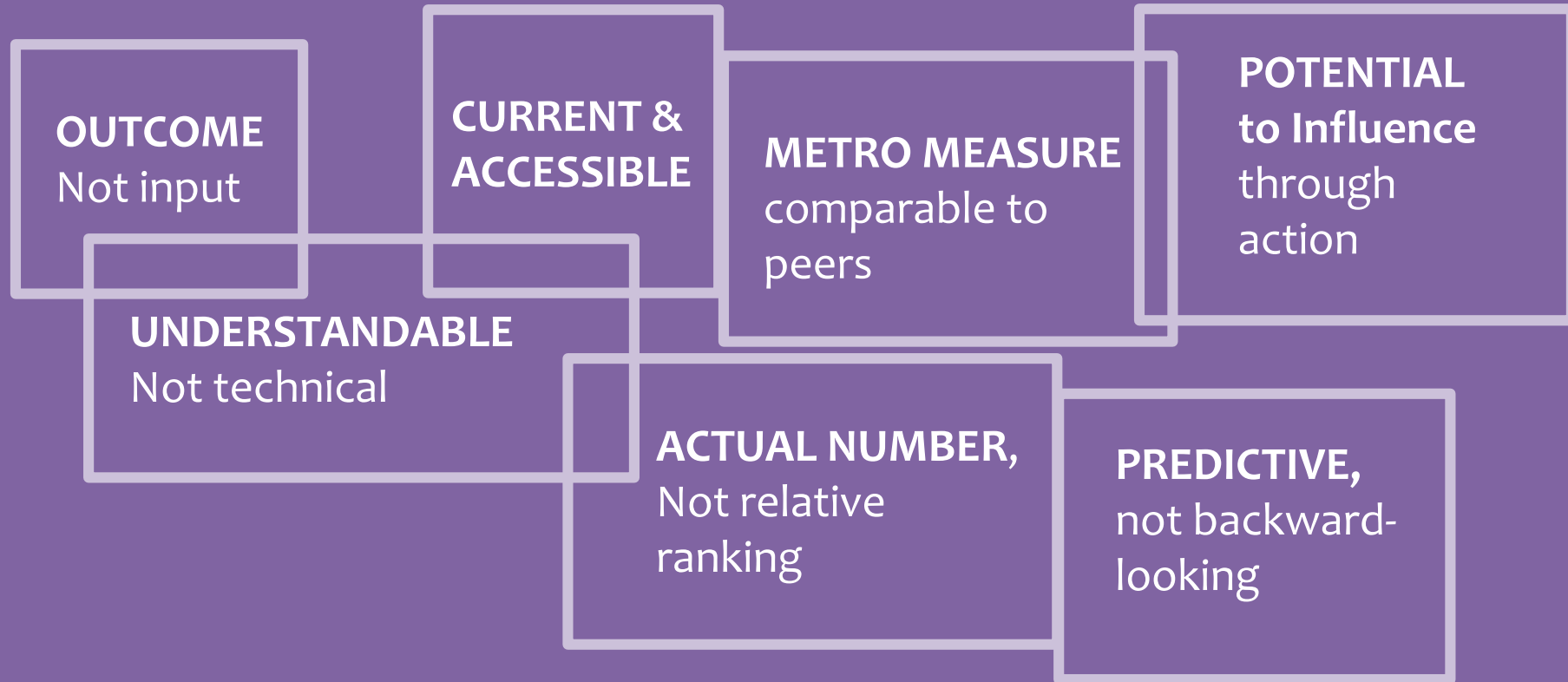
Livability

Equity *throughout*



BUILDING THE DASHBOARD

METRICS: Rigorous set of criteria used to select metrics to populate categories. Data should be:



11 PEER REGIONS

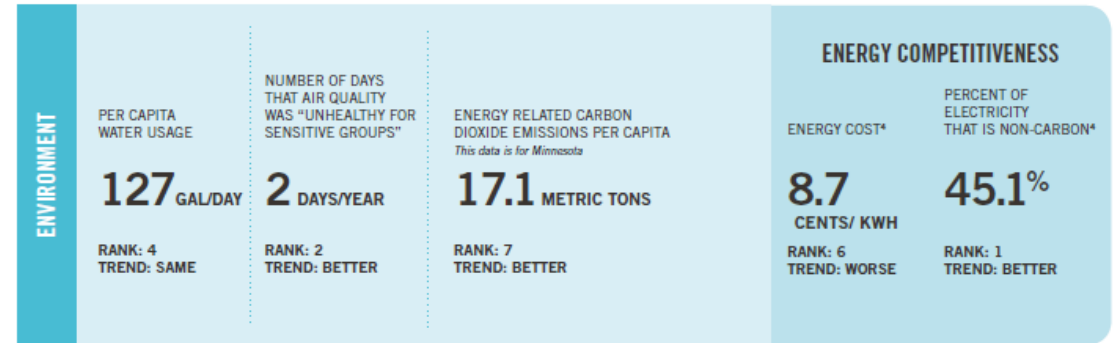
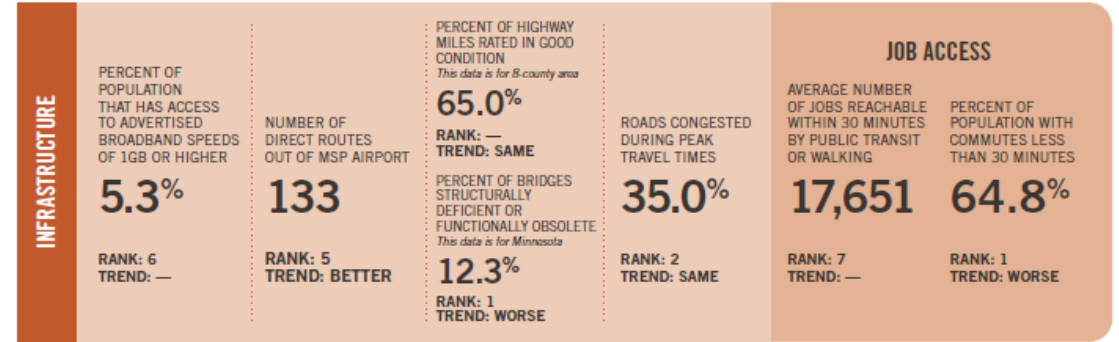
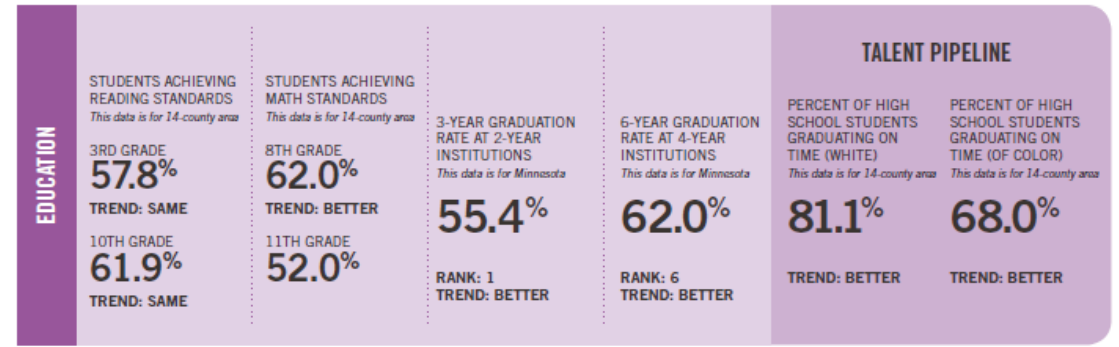
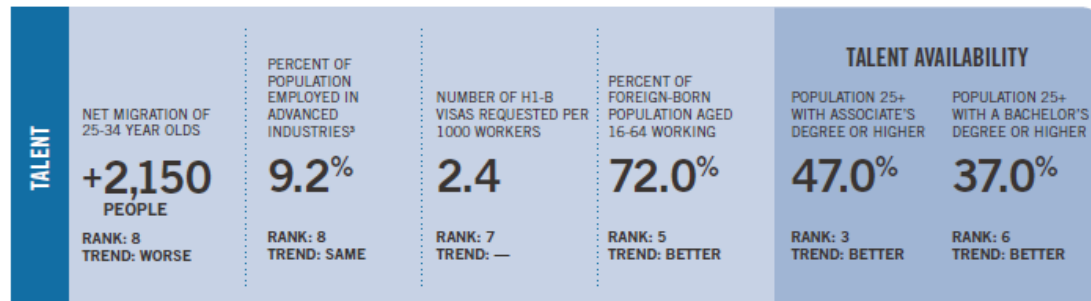
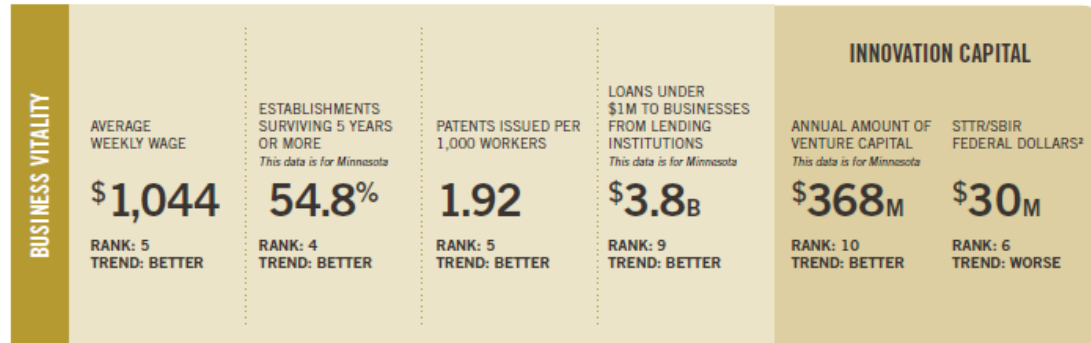
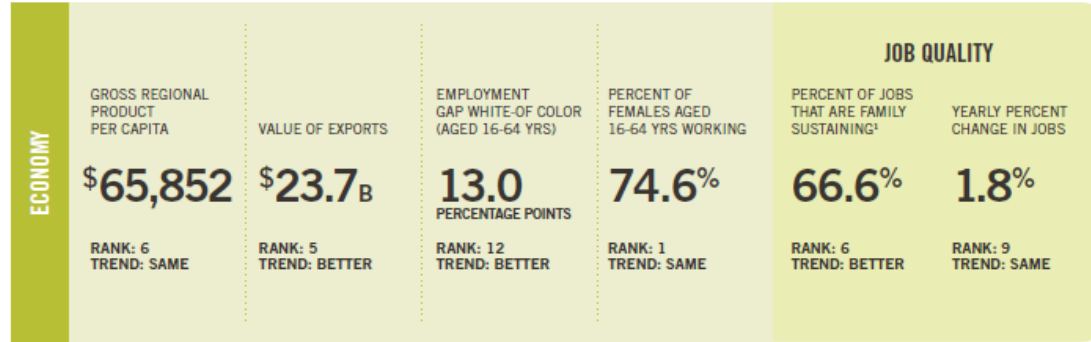
Competitive Benchmarking



VITAL STATS



THE DASHBOARD



1. Annual wage > \$31,000, or 130% of poverty for a household of 4, as per USDA's requirements for SNAP benefits.
2. Small Business Technology Transfer (STTR)
The Small Business Innovation Research (SBIR)
3. As defined by Brookings, industries are advanced if a greater share of their workforce is STEM oriented than the U.S. average (21 percent) and their R&D spending is at least \$450 per worker.

4. This data is for each metro's largest electric utility
5. HUD model based on median household income

**NEW
IN 2016**

ONE INITIATIVE, TWO TEAMS

PROJECT TEAM



ITASCAproject

MINNESOTA PHILANTHROPY PARTNERS



REGIONAL COMPETITIVENESS WORKING GROUP



ITASCAproject



RCM
Regional Council of Mayors

REGIONAL COMPETITIVENESS WORKING GROUP

2016

*Working together to drive continuous regional
improvement*

USE | PUT DASHBOARD TO WORK IN YOUR
OWN ORGANIZATIONS

ANALYZE | MEET AS A WORKING GROUP TO
FIND THE STORIES IN THE DATA

TRACK | COMPETITIVENESS ISSUES NOT
MEASURED IN DASHBOARD

COMMUNICATE | ANALYSIS, QUESTIONS,
PRIORITIES TO OUTSIDE GROUPS AND LEADERS

ACT | TAKE OR DIRECT ACTION IN RESPONSE
TO DATA & ANALYSIS



ITASCAproject

RCM
Regional Council of Mayors



MINNEAPOLIS
REGIONAL Chamber of Commerce



EARLY IMPACT

IT'S BEING USED

Companies, nonprofits, foundations, chambers of commerce and other groups are putting the Dashboard to work in their organization.

The result is more alignment among these organizations and initiatives.

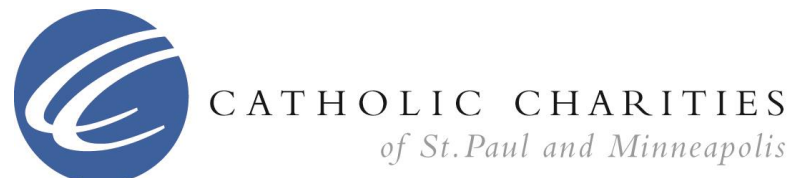
ITASCAproject



northside
funders group



MAKE IT. MSP.™
MINNEAPOLIS-SAINT PAUL



NATIONAL INTEREST

12 U.S. regions reach out to learn about the MSP Indicators Dashboard



2016 **RESULTS**

PEER RANK

Overall ranking
based on average
of all metrics

2016

REGION

AVG. RANK

TOP PEERS

San Francisco, CA	4.29	●
Seattle, WA	4.47	●
Boston, MA	4.84	●
Minneapolis-St Paul, MN	4.87	●

CLOSE
RIVALS

Portland, OR	6.55	●
Atlanta, GA	6.63	●
Chicago, IL	6.74	●
Dallas, TX	6.75	●
Denver, Co	6.84	●
Austin, TX	6.84	●

MORE
DISTANT

Pittsburgh, PA	8.42	●
Phoenix, AZ	9.35	●

2015

REGION

AVG. RANK

TOP PEERS

San Francisco, CA	4.32
Seattle, WA	4.58
Boston, MA	4.79
Minneapolis-St Paul, MN	5.09

CLOSE
RIVALS

Austin, TX	5.59
Portland, OR	6.47
Denver, CO	6.53

MORE
DISTANT

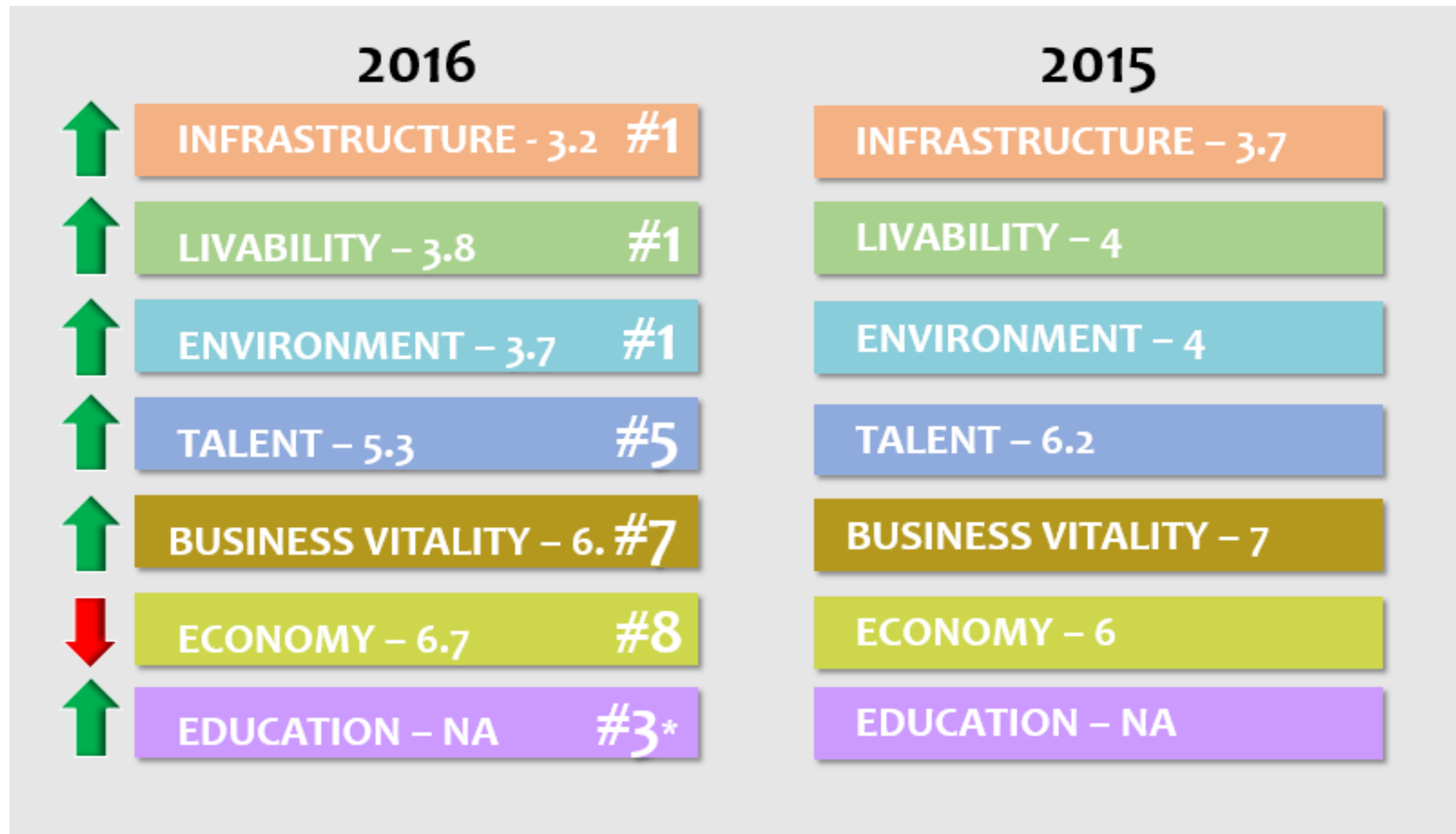
Dallas, TX	7.11
Chicago, IL	7.14
Atlanta, GA	7.32
Pittsburgh, PA	8.63
Phoenix, AZ	9.39

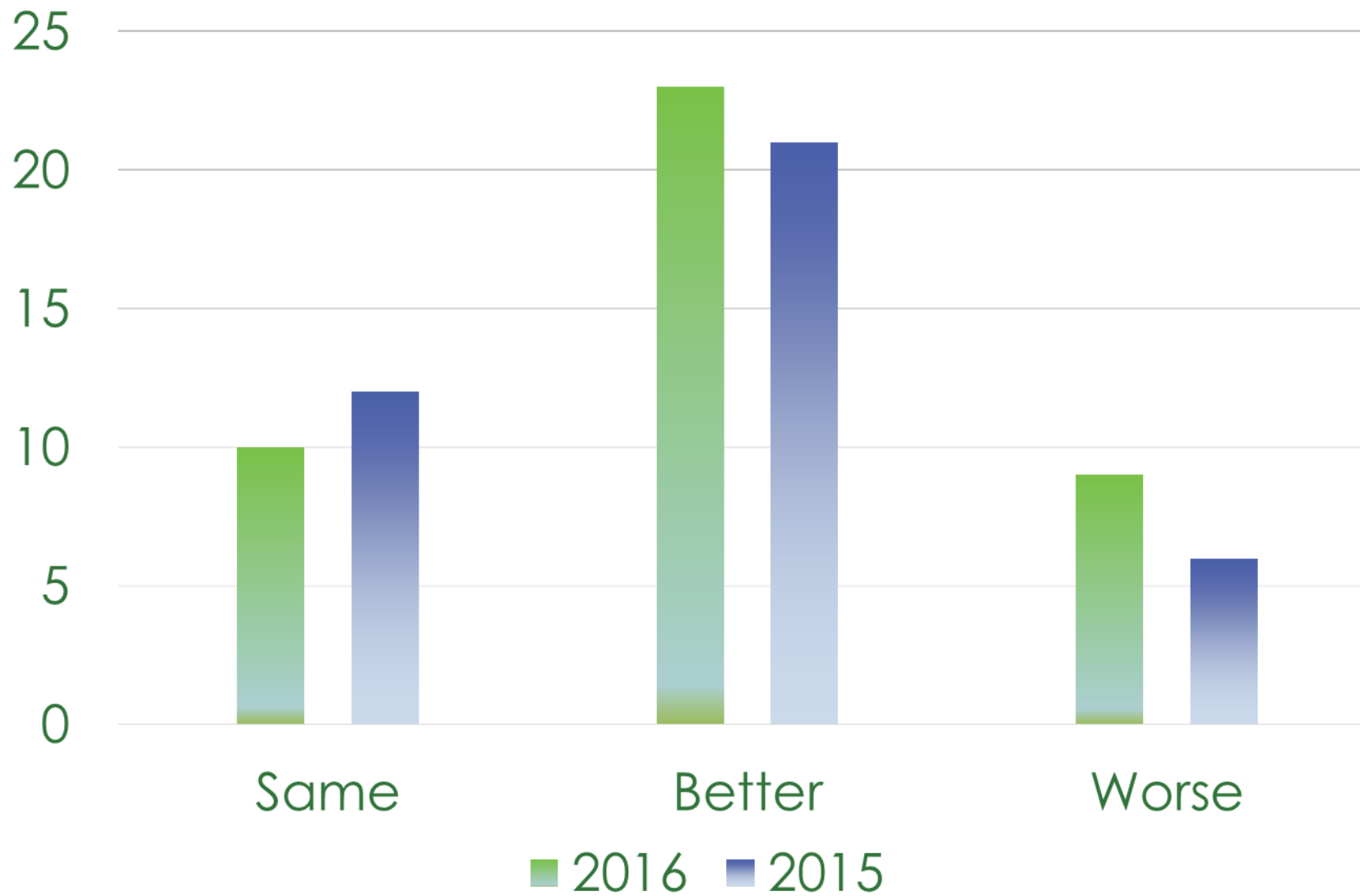
○ MSP maintains
#4 position

○ MSP gains
ground on next
closest peer,
pulls away from
challenger
below

○ 8 of 12 regions
improved in
2016

MSP RANK BY CATEGORY





MSP TREND CHANGE | 2015 - 2016

POPULATION

VITAL STATISTICS

GROSS REGIONAL
PRODUCT

\$236_B

MSP TREND: INCREASING
PEER RANK: 7 ⇄

GROSS REGIONAL
PRODUCT PER CAPITA

\$67,445

MSP TREND: DECREASING
PEER RANK: 7 ↓

MEDIAN
HOUSEHOLD
INCOME

\$68,019

MSP TREND: INCREASING
PEER RANK: 4 ⇄

LABOR FORCE
PARTICIPATION RATE

72.3%

MSP TREND: INCREASING
PEER RANK: 1 ⇄

TOTAL JOBS

1.84_M

MSP TREND: DECREASING
PEER RANK: 7 ↓

UNEMPLOYMENT
RATE-ANNUALIZED*

3.9%

MSP TREND: SAME
PEER RANK: 1 ⇄

TOP TIER TAX RATES

This data is for Minnesota

CORPORATE TAX

9.8%

MSP TREND: SAME
PEER RANK: 2 ⇄

PERSONAL INCOME TAX⁷

9.85%

MSP TREND: SAME
PEER RANK: 3 ⇄

POPULATION

3.5_M

MSP TREND: INCREASING
PEER RANK: 8 ⇄

POPULATION
55 YEARS +

25.0%

MSP TREND: INCREASING
PEER RANK: 5 ↑

POPULATION
GROWTH

1.0%

MSP TREND: DECREASING
PEER RANK: 9 ↓

POPULATION
OF COLOR

23.0%

MSP TREND: INCREASING
PEER RANK: 11 ↓

RANK: 1=LARGEST, 12=SMALLEST

POPULATION



Minnesota State Demographic Center
OCCASIONAL REPORT



March 2016

Population aging is not just a short-term phenomenon to be weathered; rather, we are beginning a shift toward an older society that will be the reality well into Minnesota's future.

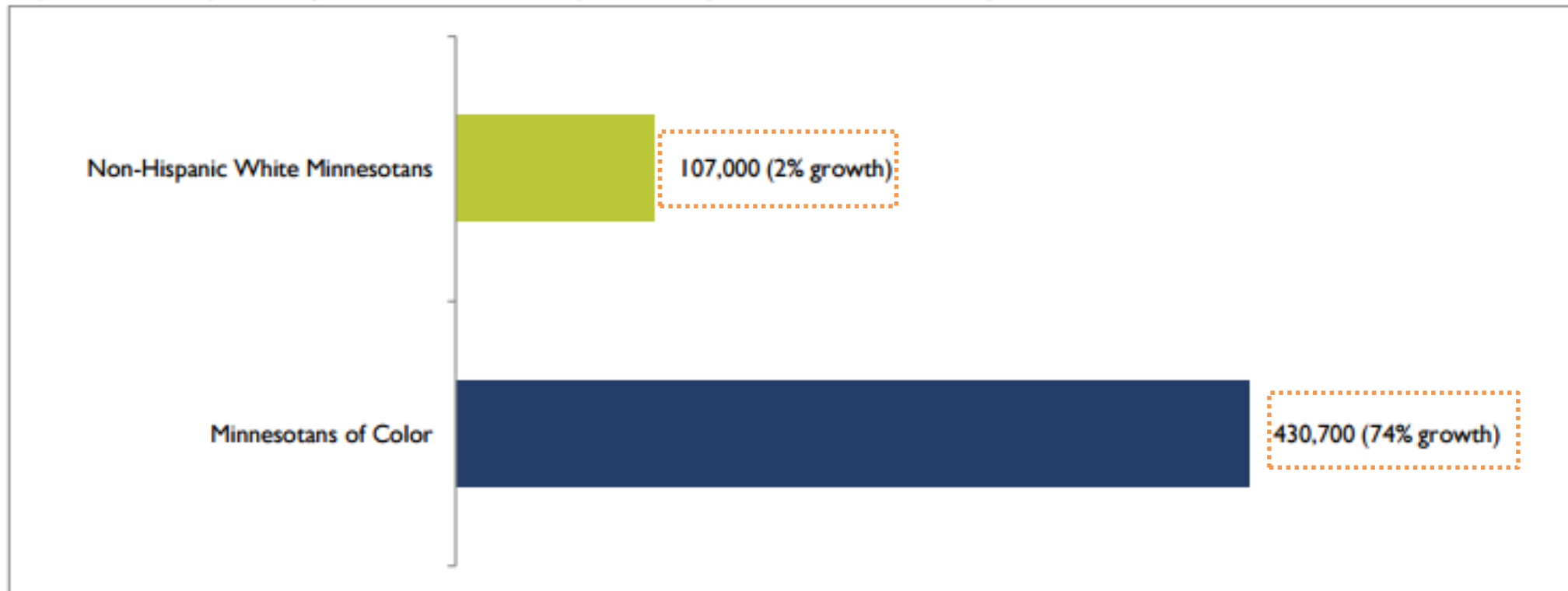
In the Twin Cities
7-county metro area,
more than

1/3rd

of those in the prime
working years of age
20-64 will be People of
Color by 2020.



Figure 6: Change In Population Size Among Non-Hispanic Whites And Populations Of Color In Minnesota, 2000-2014



Source: U.S. Census Bureau, 2000 Census and 2014 Population Estimates. Note: Numbers have been rounded for ease of interpretation.

The image is a composite. The top half shows a city skyline at night with several illuminated skyscrapers. The bottom half shows a large crowd of people sitting on a grassy field, likely at a festival or concert. A semi-transparent grey band runs across the middle, containing the text.

MAKE IT. MSP.®

MINNEAPOLIS - SAINT PAUL

TIME FOR A NEW APPROACH

Low
Unemployment



High Workforce
Participation

Racial
Disparities



Increasing
Diversity

Moderate
Attraction



Falling Organic
Growth

100,000 MSP Worker
Shortage 2020

Professionals: Degreed & Creative Talent

CRITICAL

1 in 4
Jobs in MSP

IN DEMAND

2%
unemployment

IMPACT

3.5X
VS.
0.75X

The background of the slide is a collage of three images. The top image shows three ornate chandeliers hanging from a ceiling. The middle image shows a group of people at a social event, with a yellow sign in the background that reads 'MAKE IT. MSP. MINNEAPOLIS SAINT PAUL'. The bottom image shows a group of people sitting at a long wooden table, engaged in conversation. The text 'FIVE GOALS' is overlaid on the left side of the collage.

FIVE GOALS

Improve Social Inclusion

Support Innovative People

Connect Talent to Community

Connect Talent to Employers

Close near-term Talent Gaps

MAKE IT. MSP.®
MINNEAPOLIS-SAINT PAUL

» THANK YOU



GREATER » MSP[®]

Minneapolis Saint Paul Regional Economic Development Partnership